

Message Text

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PAGE 01 JIDDA 05775 310815Z

12

ACTION COME-00

INFO OCT-01 NEA-10 ISO-00 EB-11 TRSE-00 OMB-01 DRC-01

RSC-01 /025 W
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R 310700Z DEC 73
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 5796
INFO AMCONSUL DHAHRAN

UNCLAS JIDDA 5775

FOR COMMERCE

E.O. 11652: N/A
TAGS: BEXP, SA
SUBJECT: PERFORMANCE OF U.S. COMPANIES IN SAUDI ARABIA

REF: A) DHAHRAN 1045; B) DHAHRAN 925

REF A IS ONLY ONE MORE EXAMPLE OF THE MOST SERIOUS SINGLE PROBLEM FACING AMERICAN COMMERCIAL INTERESTS IN SAUDI ARABIA: THE STEP-CHILD TREATMENT ACCORDED-WITH SOME NOTABLE EXCEPTIONS, MOSTLY IN THE MILITARY FIELD--TO THE SAUDI MARKET BY U.S. FIRMS. OTHER RECENT CASES ARE: A 50 MILLION DOLLAR SAG TENDER FOR SUPPLY OF UNIFORMS-- NO U.S. FIRM BID (JIDDA 5340); A SIGNED 25 MILLION DOLLAR CONTRACT FOR RICE--THE U.S. SUPPLIER SIMPLY STOPPED RESPONDING TO THE SAUDI IMPORTER'S CABLES; (JIDDA 5599); AUTOMOBILES -- U.S. SALES ARE SUFFERING DRASTICALLY TO THE JAPANESE AND EUROPEANS, NOT RPT NOT BECAUSE OF PRICE COMPETITION BUT BECAUSE LOCAL DEALERS ARE RECEIVING ONLY FRACTIONS OF ORDERS THEY ARE PLACING -- AND THIS WHEN DETROIT IS SHUTTING DOWN ASSEMBLY LINES FOR LACK OF DEMAND.

2. PRIMARY CHALLENGE HERE IS NOT SELLING SAUDIS ON AMERICAN GOODS, BUT SELLING AMERICAN COMPANIES ON IMPORTANCE OF PRESERVING THE TRADITIONAL SAUDI BIAS IN FAVOR OF U.S. GOODS. EMBASSY PLANS TO FURTHER DOCUMENT THIS SITUATION, AND WOULD LIKE TO EXPLORE COMMERCE POSSIBILITIES

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PAGE 02 JIDDA 05775 310815Z

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FOR AN ORGANIZATIONAL ATTACK ON PROBLEM.
IN THE MEANTIME WE CERTAINLY ENDORSE CONGEN DHAHRAN'S
RECOMMENDATION THAT COMPANY CITED IN REFTELS BE ENCOURAGED
TO PULL THEIR SOCKS UP.
AKINS

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NNN

Message Attributes

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